

The Church of Jesus Christ of Latter- Day Saints (Welfare)

FINANCIAL STATEMENTS

for the year ended

31 December 1995



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COMPANIES HOUSE	28/11/00
COMPANIES HOUSE	12/08/00

The Church of Jesus Christ of Latter-Day Saints (Welfare)

DIRECTORS AND OFFICERS

DIRECTORS

A K Broadway
R J Mawle
B P Jensen
B D Jacox
K F Keeler

SECRETARY

A K Broadway

COMPANY NUMBER

1332670 (England and Wales)

REGISTERED CHARITY NUMBER

274605

REGISTERED OFFICE

751 Warwick Road
Solihull
West Midlands
B91 3DQ

AUDITORS

Baker Tilly
Chartered Accountants
Scottish Life House
154 Great Charles Street
Birmingham B3 3HN

BANKERS

Midland Bank plc

The Church of Jesus Christ of Latter-Day Saints (Welfare)

DIRECTORS' REPORT

The directors submit their report and the financial statements of The Church of Jesus Christ of Latter-Day Saints (Welfare) for the year ended 31 December 1995.

The Church of Jesus Christ of Latter-Day Saints (Welfare) is a registered charity which has been incorporated as a private unlimited company.

PRINCIPAL ACTIVITIES

The principal activities of the company are the provision of welfare services for charitable purposes, the ownership of farm land and buildings leased to farm operating companies, the construction of houses of worship and the distribution of religious, educational and administrative materials. During the year significant further investment was made in farmland and buildings and the company took ownership of the farm operating companies leasing its farmland and buildings.

RESULTS

The operating surplus for the year was £38,662 (1994 - deficit £2,903) after receiving a donation of £1,142,385 (1994 - £1,525,955) from its parent company, The Corporation of the President of The Church of Jesus Christ of Latter-Day Saints.

The directors do not recommend the payment of a dividend, which leaves a surplus for the year of £63,930 to be transferred to reserves.

Assurances of continued financial support have been received from the Corporation of the President of The Church of Jesus Christ of Latter-Day Saints.

DIRECTORS' AND THEIR INTERESTS

The directors who served during the year were:-

A K Broadway

R J Mawle

W G Reeves

(resigned 10 March 1997)

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company.

FIXED ASSETS

The significant changes in fixed assets during the year are explained in notes 6 and 7 to the financial statements.

The Church of Jesus Christ of Latter-Day Saints (Welfare)

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

AK Broadway
A K Broadway

Secretary

13 May 1999

The Church of Jesus Christ of Latter-Day Saints (Welfare)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (WELFARE)

We have audited the financial statements on pages 6 to 15.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures of the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

BAKER TILLY

Registered Auditor
Chartered Accountants
Scottish Life House
154 Great Charles Street
Birmingham B3 3HN

14 May 1999

The Church of Jesus Christ of Latter-Day Saints (Welfare)

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 1995

	Notes	1995 £	1994 £
TURNOVER	1	7,034,918	7,460,361
Cost of Sales		(6,868,900)	(7,288,294)
GROSS SURPLUS		166,018	172,067
Other operating income (net)	2	1,714,153	1,764,937
Distribution costs		(126,447)	(147,660)
Administrative expenditure		(1,411,235)	(1,479,129)
Charitable expenditure		(303,827)	(313,118)
OPERATING SURPLUS/(DEFICIT)	3	38,662	(2,903)
Bank interest receivable		25,268	2,903
Exceptional item - Capital contribution	4	-	7,943,369
SURPLUS FOR THE YEAR	14	63,930	7,943,369

The surplus for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The Church of Jesus Christ of Latter-Day Saints (Welfare)

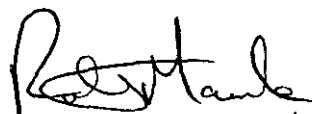
BALANCE SHEET

31 December 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	6	19,332,119	9,786,303
Intangible assets	7	114,722	114,722
Investments	8	1,000,000	-
		<hr/>	<hr/>
		20,446,841	9,901,025
CURRENT ASSETS			
Stocks	9	302,313	296,992
Debtors	10	198,923	96,274
Cash at bank and in hand		971,375	45,570
		<hr/>	<hr/>
		1,472,611	438,836
CREDITORS: Amounts falling due within one year	11	(708,083)	(120,178)
		<hr/>	<hr/>
NET CURRENT ASSETS		764,528	318,658
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,211,369	10,219,683
CREDITORS: Amounts falling due after more than one year	12	(21,147,339)	(10,219,583)
		<hr/>	<hr/>
		64,030	100
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Accumulated fund	14	63,930	-
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	15	64,030	100
		<hr/>	<hr/>

Approved by the board on 13th May 1999

R J Mawle



Director

The Church of Jesus Christ of Latter-Day Saints (Welfare)

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and present information about the company as an individual undertaking and not about its group.

The company operates an accruals basis of accounting, except for administrative and distribution expenditure which is accounted for on a cash basis, as the directors do not consider it to be materially different to the accruals basis.

DEPRECIATION

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Farm houses	over 40 years
Farm buildings and amenities	over 20 years
Fixtures and fittings	over 10 years
Plant and machinery	over 10 years
Motor vehicles	over 4 years

INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost. Provision is made for any diminution in value.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

PENSION CONTRIBUTIONS

The costs of providing pensions for employees are charged to the income and expenditure account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

PARENT COMPANY DONATIONS AND CAPITAL CONTRIBUTIONS

Donations by one of the company's parent undertakings to fund certain aspects of the company's excess of expenditure over income, are treated as other operating income in the year to which they relate.

Capital contributions by one of the company's parent undertakings to fund past deficits, by way of the partial cancellation of amounts due to it, are treated as an exceptional item in the Income and Expenditure account in the year in which they arise.

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

1	1995	1994
	£	£
TURNOVER		
Turnover for the year is attributable to the following activities:-		
New construction	6,030,898	6,423,797
Religious, educational, administrative materials and film rental	1,004,020	1,036,564
	<u>7,034,918</u>	<u>7,460,361</u>

All turnover is generated in the United Kingdom, except sales to other entities of the Church of Jesus Christ of Latter-Day Saints in countries outside the United Kingdom. The directors do not consider any further analysis to be appropriate.

2	1995	1994
	£	£
OTHER OPERATING INCOME (NET)		
Donation from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints	1,142,385	1,525,955
Profits covenanted from farming subsidiaries	193,000	-
Rental income - Farms	263,025	23,000
- Other	229,279	215,982
Farm operating costs	(113,536)	-
	<u>1,714,153</u>	<u>1,764,937</u>

3	1995	1994
	£	£
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		
The surplus/(deficit) is stated after charging/(crediting):		
Auditors' remuneration	12,000	10,000
Depreciation on owned assets	123,685	58,482
(Profit)/loss on disposal of tangible fixed assets	(1,790)	720
Loss on disposal of Ridge Farm trading activities	-	114,330
	<u></u>	<u></u>

4 CAPITAL CONTRIBUTION

During 1994 an agreement was reached between the company and the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints that a capital contribution of £7,943,369 would be made to the company to fund past deficits, by way of the partial cancellation of inter company indebtedness.

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

5	EMPLOYEES	1995 No.	1994 No.
	The average weekly number of persons (including directors) employed by the company during the year was	55	56
		<u>55</u>	<u>56</u>
		1995 £	1994 £
	Staff costs for the above persons:		
	Wages and salaries	646,828	642,722
	Social security costs	50,287	53,264
	Other pension costs	51,506	45,706
		<u>748,621</u>	<u>741,692</u>
		<u>748,621</u>	<u>741,692</u>

DIRECTORS' REMUNERATION

None of the directors who served during the year ended 31 December 1995 received remuneration from this company.

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

6 TANGIBLE FIXED ASSETS

	<i>Land and Buildings</i> £	<i>Fixtures and fittings</i> £	<i>Plant and machinery</i> £	<i>Motor vehicles</i> £	<i>Farms</i> £	<i>Total</i> £
Cost						
1 January 1995	951,035	59,276	236,955	111,045	8,855,793	10,214,104
Additions	282,760	6,678	15,503	72,387	9,295,932	9,673,260
Disposals	-	-	-	(15,364)	-	(15,364)
31 December 1995	1,233,795	65,954	252,458	168,068	18,151,725	19,872,000
Depreciation						
1 January 1995	-	36,367	122,755	76,451	192,228	427,801
Charged in the year	-	6,405	24,260	30,513	62,507	123,685
Disposals	-	-	-	(11,605)	-	(11,605)
31 December 1995	-	42,772	147,015	95,359	254,735	539,881
Net book value						
31 December 1995	1,233,795	23,182	105,443	72,709	17,896,990	19,332,119
31 December 1994	951,035	22,909	114,200	34,594	8,663,565	9,786,303

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

6 TANGIBLE FIXED ASSETS *(continued)*

Included within farms above are:

	<i>Land</i> £	<i>Farm houses</i> £	<i>Farm buildings & amenities</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
Cost					
1 January 1995	7,121,419	1,139,008	595,366	-	8,855,793
Additions	7,953,287	1,047,360	259,796	35,489	9,295,932
31 December 1995	15,074,706	2,186,368	855,162	35,489	18,151,725
Depreciation					
1 January 1995	-	-	192,228	-	192,228
Charged in the year	-	37,988	22,778	1,741	62,507
31 December 1995	-	37,988	215,006	1,741	254,735
Net book value					
31 December 1995	15,074,706	2,148,380	640,156	33,748	17,896,990
31 December 1994	7,121,419	1,139,008	403,138	-	8,663,565

7 INTANGIBLE FIXED ASSETS

	<i>Milk Quotas</i> £
Cost and net book value	
1 January 1995 and 31 December 1995	114,722

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

8	FIXED ASSET INVESTMENTS	<i>Investment in subsidiary undertakings</i>
	1 January 1995	-
	Transfer from group company	1,000,000
		<hr/>
	31 December 1995	1,000,000
		<hr/> <hr/>

The company holds more than 10% of the equity of the following undertakings:

	<i>Country of incorporation</i>	<i>Class of holding</i>	<i>Proportion held</i>	<i>Direct/indirect shareholding</i>	<i>Nature of business</i>
AgReserves Limited	England	Ordinary	100%	Direct	Farming
Hallsworth (Farmland Trust) Limited	England	Ordinary	100%	Indirect	Farming

The aggregate capital and reserves of the above companies at 31 December 1995, along with their profit/(loss) after taxation for the year then ended is show below:

<i>Name</i>	<i>Aggregate capital and reserves</i> £	<i>Profit/(loss) for the year</i> £
AgReserves Limited	5,439,566	(260,434)
Hallsworth (Farmland Trust) Limited	2,944,010	7,503
	<hr/>	<hr/>

The financial statements present information about the company as an individual undertaking, and not about its group, as the company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

9	STOCKS	1995 £	1994 £
	Finished goods and goods for resale	302,313	296,992
		<hr/>	<hr/>
10	DEBTORS	1995 £	1994 £
	Due within one year		
	Taxes and social security costs	116,861	40,549
	Other debtors	82,062	55,725
		<hr/>	<hr/>
		198,923	96,274
		<hr/>	<hr/>

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

11	CREDITORS: Amounts falling due within one year	1995 £	1994 £
	Bank overdraft	-	25,438
	Taxes and social security costs	19,856	19,702
	Other creditors	218,352	75,038
	Amounts owed to group undertakings	469,875	-
		<u>708,083</u>	<u>120,178</u>

12	CREDITORS: Amounts falling due in more than one year	1995 £	1994 £
	Loan from holding company	21,147,339	10,219,583

This is a loan from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints which is subordinated to the claims of all other creditors. The loan is interest free and there are no fixed repayment terms.

13	SHARE CAPITAL	1995 £	1994 £
	Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	100	100
14	ACCUMULATED FUND	1995 £	1994 £
	Balance at 1 January 1995	-	(7,943,369)
	Net surplus for the financial year	63,930	7,943,369
	Balance at 31 December 1995	<u>63,930</u>	<u>-</u>

The Church of Jesus Christ of Latter-Day Saints (Welfare)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 1995

15	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1995 £	1994 £
	Surplus for the financial year	63,930	7,943,369
	Opening shareholders' funds	100	(7,943,269)
		<hr/>	<hr/>
	Closing shareholders' funds	64,030	100
		<hr/>	<hr/>

16 ULTIMATE HOLDING COMPANY

The company is owned jointly by the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints and the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, both companies are incorporated in the state of Utah, United States of America.

Assurances of continued financial support have been received from the Corporation of the President of the Church of Jesus Christ of Latter-Day Saints.

17 PENSION COMMITMENTS

The Church operates a pension plan based on final pensionable earnings. The assets of the Plan are held in a separate trustee administered fund. Contributions charged to the Income and Expenditure account are calculated so as to spread the cost of pensions over the employees' working lives with the Church. The contributions are determined by a qualified actuary using the projected unit method.

The latest actuarial valuation of the Plan was as at 31 December 1995. The assumptions having the most significant effect on the valuation results were that investment returns would be 9 % and that pensionable earnings increases would average 7.5% pa. The valuation showed that the market value of the Plan's assets was £6,581,000 and that the actuarial value of those assets represented 110% of the benefits that had accrued to members, after allowing for expected future increases in pensionable earnings.

The pension charge for the period was £51,506 (1994 - £45,706), which included allowance for the amortisation of experience surpluses. These are being recognised over 12 years, the average remaining service lives of employees.